

**CORPORATION OF THE MUNICIPALITY
OF DUTTON/DUNWICH**

Consolidated Financial Statements

December 31, 2023

Corporation of the Municipality of Dutton/Dunwich
Consolidated Financial Statements
For The Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements are the responsibility of the management of Corporation of the Municipality of Dutton/Dunwich and have been prepared in accordance with Canadian public sector accounting standards.

These consolidated financial statements include:

- Independent Auditors' Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Change in Net Financial Debt
- Consolidated Statement of Remeasurement Gains and Losses
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Consolidated Schedule of Segment Disclosure

The Chief Administrative Officer and the Treasurer are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing the consolidated financial statements before they are submitted to Council for approval.

The integrity and reliability of Corporation of the Municipality of Dutton/Dunwich reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The consolidated financial statements have been audited on behalf of the Members of Council, Inhabitants and Ratepayers of Corporation of the Municipality of Dutton/Dunwich by Graham Scott Enns LLP in accordance with Canadian generally accepted auditing standards.

Tracy Johnson

Ms. Tracy Johnson
CAO/Treasurer

Dutton, Ontario
August 14, 2024



INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of: **Corporation of the Municipality of Dutton/Dunwich:**

Opinion

We have audited the consolidated financial statements of **Corporation of the Municipality of Dutton/Dunwich**, which comprise the statement of financial position as at December 31, 2023, and the statement of earnings, statement of change in net financial debt, consolidated statement of remeasurement gains and losses, and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the Municipality's consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Thomas, Ontario

August 14, 2024

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Statement of Financial Position
As At December 31, 2023**

	2023	2022
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Taxes receivable (Note 3)	906,599	771,160
Accounts receivable (Note 4)	1,974,121	2,359,670
Land inventory	<u>128,708</u>	<u>128,708</u>
Total financial assets	<u>3,009,428</u>	<u>3,259,538</u>
LIABILITIES		
Temporary bank advances (Note 6)	599,913	1,076,131
Accounts payable and accrued liabilities	1,289,646	1,165,840
Security deposits	706,337	430,607
Deferred revenue (Note 8)	418,204	386,016
Landfill closure and post-closure liability (Note 7)	403,175	175,734
Net long-term liabilities (Note 10)	<u>3,391,554</u>	<u>3,848,800</u>
Total liabilities	<u>6,808,829</u>	<u>7,083,128</u>
NET FINANCIAL DEBT	<u>(3,799,401)</u>	<u>(3,823,590)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	36,377,863	36,715,220
Inventories	72,424	85,544
Prepaid expenses	<u>37,029</u>	<u>87,119</u>
Total non-financial assets	<u>36,487,316</u>	<u>36,887,883</u>
ACCUMULATED SURPLUS (NOTE 11)	<u>32,687,915</u>	<u>33,064,293</u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2023**

	Budget (Note 15) \$	Actual 2023 \$	Actual 2022 \$
REVENUES			
Property taxation	4,795,830	4,769,625	4,314,405
Taxation from other governments	161,228	157,278	150,029
Local improvement levies	774,656	775,060	42,854
User charges and other	3,718,804	3,821,914	3,955,702
Government transfers:			
Federal	52,942	143,608	659,367
Provincial	984,243	1,034,645	1,211,036
Other municipalities	520,160	524,756	571,643
Penalties and interest on taxes	98,000	104,662	97,481
Other	35,714	52,452	26,461
Gain (loss) on disposal of tangible capital assets	-	-	51,201
Total revenues	<u>11,141,577</u>	<u>11,384,000</u>	<u>11,080,179</u>
EXPENSES			
General government	1,171,727	1,437,338	1,231,383
Fire and police protection	1,081,625	1,141,706	1,081,667
Other protective services	263,329	278,401	274,935
Transportation services	2,969,953	2,988,690	3,002,228
Waterworks and sewer	2,920,850	2,965,668	2,657,305
Garbage collection and disposal	448,136	509,305	486,570
Health services	497,021	478,077	420,946
Recreation and cultural services	715,856	695,362	717,664
Planning and zoning	108,608	91,530	80,429
Agriculture	<u>1,169,189</u>	<u>1,174,301</u>	<u>928,801</u>
Total expenses (Note 16 (a))	<u>11,346,294</u>	<u>11,760,378</u>	<u>10,881,928</u>
ANNUAL SURPLUS (DEFICIT)	(204,717)	(376,378)	198,251
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>33,064,293</u>	<u>33,064,293</u>	<u>32,866,042</u>
ACCUMULATED SURPLUS, END OF YEAR (NOTE 11)	<u><u>32,859,576</u></u>	<u><u>32,687,915</u></u>	<u><u>33,064,293</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Statement of Change in Net Financial Debt
For The Year Ended December 31, 2023**

	Budget (Note 15) <u>\$</u>	Actual 2023 <u>\$</u>	Actual 2022 <u>\$</u>
ANNUAL SURPLUS (DEFICIT)	(204,717)	(376,378)	198,251
Acquisition of tangible capital assets	(914,568)	(914,568)	(2,148,827)
Amortization of tangible capital assets	1,474,195	1,474,195	1,395,840
Proceeds on disposal of tangible capital assets	-	-	54,976
Change in inventories and prepaid expenses	-	63,210	(55,846)
Gain (loss) on disposal of tangible capital assets	-	-	(51,201)
Change in asset retirement obligation - landfill liability	<u>-</u>	<u>(222,270)</u>	<u>-</u>
CHANGE IN NET FINANCIAL DEBT	354,910	24,189	(606,807)
NET FINANCIAL DEBT, BEGINNING OF YEAR	<u>(3,823,590)</u>	<u>(3,823,590)</u>	<u>(3,216,783)</u>
NET FINANCIAL DEBT, END OF YEAR	<u>(3,468,680)</u>	<u>(3,799,401)</u>	<u>(3,823,590)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Statement of Remeasurement Gains and Losses
For The Year Ended December 31, 2023**

	2023	2022
	<u>\$</u>	<u>\$</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR (NOTE 1)	-	-
Unrealized gains (losses) attributable to investments	-	-
Amounts reclassified to statement of operations through realization of gains(losses)	<u>-</u>	<u>-</u>
Change in accumulated remeasurement gains	<u>-</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	<u><u>-</u></u>	<u><u>-</u></u>
Accumulated remeasurement gains is comprised of:		
Investments	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Statement of Cash Flows
For The Year Ended December 31, 2023**

	2023	2022
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Annual surplus (deficit)	(376,378)	198,251
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	1,474,195	1,395,840
Landfill closure and post-closure liability - accretion expense	5,171	-
Change in landfill closure and post-closure liabilities	-	3,380
(Gain) loss on disposal of tangible capital assets	-	(51,201)
	<u>1,102,988</u>	<u>1,546,270</u>
Change in non-cash assets and liabilities related to operations (Note 16 (b))	<u>745,044</u>	<u>119,033</u>
	<u>1,848,032</u>	<u>1,665,303</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(914,568)	(2,148,827)
Proceeds on disposal of tangible capital assets	-	54,976
	<u>(914,568)</u>	<u>(2,093,851)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt issued	-	391,252
Long-term debt repayments	(457,246)	(495,664)
	<u>(457,246)</u>	<u>(104,412)</u>
CHANGE IN CASH	476,218	(532,960)
CASH (BANK INDEBTEDNESS), BEGINNING OF YEAR	<u>(1,076,131)</u>	<u>(543,171)</u>
CASH (BANK INDEBTEDNESS), END OF YEAR	<u><u>(599,913)</u></u>	<u><u>(1,076,131)</u></u>
CASH (BANK INDEBTEDNESS) REPRESENTED BY:		
Cash and short-term investments	250,449	237,763
Temporary bank advances	(850,362)	(1,313,894)
	<u>(599,913)</u>	<u>(1,076,131)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

The Corporation of the Municipality of Dutton/Dunwich (the "Municipality") is a lower tier municipality in the Province of Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 Corporation of the Municipality of Dutton/Dunwich adopted accounting policies to conform to new standards issued under Canadian public sector accounting standards. The Municipality adopted the following standards which had the following impact:

- PS 1201 - Financial Statement Presentation - resulting in presentation of a new statement of remeasurement gains and losses. This change has been applied prospectively.
- PS 3280 - Asset Retirement Obligations - require reporting of any asset retirement obligations as tangible capital assets and their liabilities and associated policies. It is managements opinion that asset retirement obligations exist as at December 31, 2023. The Municipality has identified it's landfill as an asset retirement obligation and as such this landfill has been set up as an asset and amortized over it's estimate useful life and the total expected liability discounted annually. This change has been applied prospectively.
- PS 3450 - Financial Instruments - reporting new disclosures regarding financial instrument risks and the restatement of the opening accumulated surplus. This change has been applied prospectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned or controlled by the Municipality.

Consolidated Entities

There are no organizations or local boards that are consolidated in these consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proportionate Consolidation

The Elgin Area Primary Water Supply System and the Tri-County Water Board have been consolidated on a proportionate basis. They are proportionately consolidated based upon the water flow used by the Municipality in proportion to the entire flows provided by the joint boards. This amounts to 3% (2022 - 3%) and 19% (2022 - 26%) respectively.

Trust Funds

Trust funds and their related operations administered by the Municipality are not included in the consolidated financial statements. Trust funds administered are reported in note 9.

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Accounting for County and School Board Transactions

Although the Municipality collects taxation on behalf of the County of Elgin and the School Boards, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the County and the school boards are not reflected in these consolidated financial statements.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Debt for the year.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Financial Assets (Continued)

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10 - 60 years
Landfill	Straight-line over remaining useful life
Equipment	5 - 15 years
Vehicles	10 - 15 years
Transportation	15 - 30 years
Bridges	25 - 75 years
Water system infrastructure	100 years
Wastewater infrastructure	80 years

Amortization is recorded on a straight-line basis over the estimated useful lives of the asset commencing the year after the asset is available for productive use.

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

iii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

Deferred Revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work. In addition, certain user charges and fees which have been collected but for which the related services have yet to be performed. Revenue is recognized in the period when the related expense is incurred and services performed.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined. Any amount received but restricted is recorded as deferred revenue and recognized as revenue in the period in which the resources are used for the purpose specified.

In addition, the Municipality periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from the federal government as a result of an allocation of the gas tax funds.

Employee Benefit Plans

The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by the employees based on the length of service and pay rates. Employee benefits include post employment benefits. Post employment benefits are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees. Any actuarial gains and losses related to past service of employees are amortized over the expected average remaining service period.

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, allowances for vacancies, rebates and uncollectible property taxes and in performing actuarial valuations of employee future benefits.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Revenues

In 2023 the Municipality received \$4,926,903 (2022 - \$4,464,434) in property tax revenues for municipal purposes. The authority to levy and collect property taxes is established under the Municipal Act 2001, the Assessment Act, the Education Act, and other legislation.

The property tax levy is determined each year through Council's approval of the annual budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenue required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund costs of education on a Province-wide basis.

Taxation revenues are recorded at the time billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The Municipality may receive supplementary assessment rolls over the course of the year from MPAC that identify new or omitted assessments. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced as a result of reductions in assessment value arising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenue (e.g. uncollectible amounts, write-offs, etc.).

Actual results could differ from management's best estimates as additional information becomes available in the future.

Environmental Provisions and Contaminated Sites

The Municipality's may be exposed to litigation or other costs of remediation due to contaminated properties in its jurisdiction. A liability for remediation is recognized in the financial statements when an environmental standard exists, contamination exceeds the standard, the government is responsible for the remediation and a reasonable estimate of the liability can be made. As at December 31, 2023 there were no properties that the Municipality was responsible to remedy and has accrued any known liabilities and expensed all known costs (if any).

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

The Municipality, upon initial recognition, classifies its financial instruments into two categories:

- i. fair value or;
- ii. cost or amortized cost;

Long-term debt is initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the debt.

Other financial instruments including cash, accounts receivable, accounts payable and accrued liabilities are initially measured at fair value and subsequently measured at cost.

Investments are initially recorded at fair value and subsequently measured at fair value with the fair value determined as follows:

- i. Level 1 - Fair value measurements are those derived from quoted prices (in active markets);
- ii. Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- iii. Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable data (unobservable inputs).

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Related Party Transactions

Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.

Disclosure is made when the transaction or events between related parties occur at a value different from what would have been recorded if they were not related and the transaction could have a material financial impact on the consolidated financial statements.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inter-Entity Transactions

Transactions between related parties are recorded at carrying amounts with the exception of the following:

- i. Transactions in the normal course of business or with fair consideration are recorded at exchange amount;
- ii. Transfer of an asset or liability at nominal amounts or no consideration are recorded by the provider at carrying amounts and the recipient has the choice of either carrying amount or fair value;
- iii. Cost allocations are reported using the exchange amounts and revenues and expenses are reported on a gross basis;
- iv. Unallocated costs for the provision of goods or services maybe recorded by the provider at cost, fair value or another amount dictated by policy, accountability structure or budget practice.

Asset Retirement Obligations

The Municipality may be exposed to obligations of remediation associated with their tangible capital assets. If a legal obligation exists of remediation for a tangible capital asset then the Municipality would be required to set up an estimated future cost and liability associated with these obligations. As at December 31, 2023 the Municipality has identified its landfill as an asset retirement obligation. Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. These retirement obligations are set up using discounted cash flows and are amortized over the remaining life of the landfill. In addition the future liability is adjusted yearly with an accretion expense to balance the present value of the future liabilities cashflows.

Future Accounting Pronouncements

PS 3400 - Revenue

Management is currently evaluating the impact of this accounting standard on future financial statements. This standard establishes a framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 which for the Municipality is the December 31, 2024 year end.

Corporation of the Municipality of Dutton/Dunwich

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

3. TAXES RECEIVABLE

	2023	2022
	<u>\$</u>	<u>\$</u>
Current taxes receivable	727,564	548,900
Arrears taxes receivable	144,111	181,522
Penalties and interest	<u>34,924</u>	<u>40,738</u>
	<u>906,599</u>	<u>771,160</u>

4. ACCOUNTS RECEIVABLE

	2023	2022
	<u>\$</u>	<u>\$</u>
Trade and other	91,515	15,090
Consolidated water boards	739,060	666,420
Water and sewer receivables	418,702	479,208
HST receivable	94,810	140,352
Drain receivables	329,372	-
Federal funding	195,697	549,190
Other municipalities and school boards	56,721	224,886
Provincial funding	<u>48,244</u>	<u>284,524</u>
	<u>1,974,121</u>	<u>2,359,670</u>

Corporation of the Municipality of Dutton/Dunwich

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

5. TANGIBLE CAPITAL ASSETS

December 31, 2023

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
Linear - Roadways	8,849,998	73,971	-	8,923,969
Linear - Water Services	22,028,127	333,774	(44,227)	22,317,674
Linear - Waste Water	4,807,703	23,170	-	4,830,873
Bridges	4,376,743	-	-	4,376,743
Infrastructure Total	<u>40,062,571</u>	<u>430,915</u>	<u>(44,227)</u>	<u>40,449,259</u>
<u>General</u>				
Land	2,406,537	-	-	2,406,537
Landfill	-	222,270	-	222,270
Land Improvements	645,668	24,117	-	669,785
Building	9,718,028	208,122	-	9,926,150
Machinery and Equipment	2,250,912	173,401	-	2,424,313
Vehicles	3,681,155	78,013	-	3,759,168
General Total	<u>18,702,300</u>	<u>705,923</u>	<u>-</u>	<u>19,408,223</u>
Total Cost	<u>58,764,871</u>	<u>1,136,838</u>	<u>(44,227)</u>	<u>59,857,482</u>
Accumulated Amortization				
	Opening	Amortization	Disposals	Ending
<u>Infrastructure</u>				
Linear - Roadways	4,960,102	327,547	-	5,287,649
Linear - Water Services	5,962,803	463,263	(44,227)	6,381,839
Linear - Waste Water	1,345,109	57,000	-	1,402,109
Bridges	1,088,734	53,198	-	1,141,932
Infrastructure Total	<u>13,356,748</u>	<u>901,008</u>	<u>(44,227)</u>	<u>14,213,529</u>
<u>General</u>				
Land Improvements	149,858	37,672	-	187,530
Landfill	-	3,969	-	3,969
Building	5,435,427	202,573	-	5,638,000
Machinery and Equipment	997,579	115,714	-	1,113,293
Vehicles	2,110,039	213,259	-	2,323,298
General Total	<u>8,692,903</u>	<u>573,187</u>	<u>-</u>	<u>9,266,090</u>
Total Accumulated Amortization	<u>22,049,651</u>	<u>1,474,195</u>	<u>(44,227)</u>	<u>23,479,619</u>
Net Book Value				
	Opening			Ending
<u>Infrastructure</u>				
Linear - Roadways	3,889,896			3,636,320
Linear - Water Services	16,065,324			15,935,835
Linear - Waste Water	3,462,594			3,428,764
Bridges	3,288,009			3,234,811
	<u>26,705,823</u>			<u>26,235,730</u>
<u>General</u>				
Land	2,406,537			2,406,537
Landfill	-			218,301
Land Improvements	495,810			482,255
Building	4,282,601			4,288,150
Machinery and Equipment	1,253,333			1,311,020
Vehicles	1,571,116			1,435,870
	<u>10,009,397</u>			<u>10,142,133</u>
Total Net Book Value	<u>36,715,220</u>			<u>36,377,863</u>

Corporation of the Municipality of Dutton/Dunwich

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

5. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2022

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
Linear - Roadways	8,784,171	65,827	-	8,849,998
Linear - Water Services	21,379,578	664,182	(15,633)	22,028,127
Linear - Waste Water	4,726,967	80,736	-	4,807,703
Bridges	3,796,307	580,436	-	4,376,743
Infrastructure Total	<u>38,687,023</u>	<u>1,391,181</u>	<u>(15,633)</u>	<u>40,062,571</u>
<u>General</u>				
Land	2,406,537	-	-	2,406,537
Land Improvements	641,750	3,918	-	645,668
Building	9,460,361	257,667	-	9,718,028
Machinery and Equipment	1,849,713	401,199	-	2,250,912
Vehicle	3,846,829	94,862	(260,536)	3,681,155
General Total	<u>18,205,190</u>	<u>757,646</u>	<u>(260,536)</u>	<u>18,702,300</u>
Total Cost	<u>56,892,213</u>	<u>2,148,827</u>	<u>(276,169)</u>	<u>58,764,871</u>
Accumulated Amortization				
	Opening	Amortization	Disposals	Ending
<u>Infrastructure</u>				
Linear - Roadways	4,622,553	337,549	-	4,960,102
Linear - Water Services	5,589,805	388,631	(15,633)	5,962,803
Linear - Waste Water	1,288,331	56,778	-	1,345,109
Bridges	1,041,700	47,034	-	1,088,734
Infrastructure Total	<u>12,542,389</u>	<u>829,992</u>	<u>(15,633)</u>	<u>13,356,748</u>
<u>General</u>				
Land Improvements	112,343	37,515	-	149,858
Building	5,240,448	194,979	-	5,435,427
Machinery and Equipment	891,669	105,910	-	997,579
Vehicle	2,139,356	227,444	(256,761)	2,110,039
General Total	<u>8,383,816</u>	<u>565,848</u>	<u>(256,761)</u>	<u>8,692,903</u>
Total Accumulated Amortization	<u>20,926,205</u>	<u>1,395,840</u>	<u>(272,394)</u>	<u>22,049,651</u>
Net Book Value				
	Opening			Ending
<u>Infrastructure</u>				
Linear - Roadways	4,161,618			3,889,896
Linear - Water Services	15,789,773			16,065,324
Linear - Waste Water	3,438,636			3,462,594
Bridges	2,754,607			3,288,009
	<u>26,144,634</u>			<u>26,705,823</u>
<u>General</u>				
Land	2,406,537			2,406,537
Land improvements	529,407			495,810
Building	4,219,913			4,282,601
Machinery and Equipment	958,044			1,253,333
Vehicles	1,707,473			1,571,116
	<u>9,821,374</u>			<u>10,009,397</u>
Total Net Book Value	<u>35,966,008</u>			<u>36,715,220</u>

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

6. BANK INDEBTEDNESS

The Municipality has available a \$2,300,000 overdraft facility with the Royal Bank of Canada. This facility bears interest at the bank prime rate (December 31, 2023 - 7.20% (2022 - 6.45%). At year-end the Municipality had drawn \$870,000 (2022 - \$1,295,000) on this facility.

7. ASSET RETIREMENT OBLIGATIONS - LANDFILL CLOSURE

The Ontario Environmental and Protection Act sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites.

The total undiscounted closure and post-closure care costs at December 31, 2023 are estimated to be \$925,000 (2022 - \$925,000).

The estimated liability of \$403,175 (2022 - \$175,734) represents the sum of the discounted future cash flows for closure and post-closure care activities calculated at the average inflation rate of 3.9% and discounted at the Municipality's current long term borrowing rate of 5.25%. The estimated remaining capacity of the Municipality site is approximately 216,000 (2022 - 220,000) cubic metres, which will be filled in approximately 56 years (2022 - 57 years). Post-closure care is estimated to continue for a period of 25 years.

The liability is expected to be funded through budget allocation to a landfill reserve over the remaining life of the landfill.

	2023	2022
	<u>\$</u>	<u>\$</u>
	-	
Opening balance of asset retirement obligations	175,734	175,734
Additions	222,270	-
Accretion expense	<u>5,171</u>	<u>-</u>
Closing balance of asset retirement obligations	<u><u>403,175</u></u>	<u><u>175,734</u></u>

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

8. DEFERRED REVENUE

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below, in addition to other deferred revenues:

	2023	2022
	<u>\$</u>	<u>\$</u>
Obligatory Reserve Funds		
Recreation land	23,050	13,250
Canada Community Building Fund	127,942	-
Building department	56,527	123,258
OCIF	<u>190,229</u>	<u>175,213</u>
	397,748	311,721
Other Deferred Revenue	<u>20,456</u>	<u>74,295</u>
	<u>418,204</u>	<u>386,016</u>

9. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$86,007 (2022 - \$80,824) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

Corporation of the Municipality of Dutton/Dunwich

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

10. NET LONG-TERM LIABILITIES

- a) The balance of net long-term liabilities reported on the Consolidated Statement of Financial Position consists of the following:

	2023	2022
	<u>\$</u>	<u>\$</u>
Long-term liabilities incurred by the Municipality and outstanding at the end of the year	3,302,095	3,729,394
Long-term liabilities assumed through consolidation by the Municipality	122,864	157,329
Tile drainage loans assumed by individuals	<u>(33,405)</u>	<u>(37,923)</u>
Total long-term liabilities at the end of the year	<u>3,391,554</u>	<u>3,848,800</u>

- b) Principal repayments are summarized as follows:

	2024	2025	2026	2027	2028	Beyond	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Recoverable from General tax revenue:	235,525	252,575	232,287	197,044	196,667	976,673	2,090,771
Recoverable from User charges:	<u>161,245</u>	<u>169,550</u>	<u>159,918</u>	<u>131,392</u>	<u>92,831</u>	<u>585,847</u>	<u>1,300,783</u>
	<u>396,770</u>	<u>422,125</u>	<u>392,205</u>	<u>328,436</u>	<u>289,498</u>	<u>1,562,520</u>	<u>3,391,554</u>

- c) The Municipality has an annual debt repayment limit of \$1,745,897 as of January 1, 2023;
- d) Interest rates range from 1.90% to 3.99%. Interest expense on long-term liabilities in 2023 amounted to \$116,862 (2022 - \$125,501);
- e) The Municipality is contingently liable for municipality debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2023 is \$33,405 (2022 - \$37,923) and is not recorded on the Consolidated Statement of Financial Position;
- f) Subsequent to the year end, the Municipality obtained \$1,512,296 in available long-term debt funding to fund capital asset additions and municipal drain work. When drawn upon this new debt will be repaid over 5 years with interest at 5.424%.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

11. ACCUMULATED SURPLUS

The accumulated surplus consists of individual fund surplus/(deficit), reserves and amounts invested in tangible capital assets as follows:

	2023	2022
	<u>\$</u>	<u>\$</u>
SURPLUS (DEFICIT)		
General revenue fund	(592,958)	(318,155)
Benefiting land owners	(1,274,490)	(1,373,514)
Invested in tangible capital assets	36,377,863	36,715,220
Unfunded capital	(667,242)	(287,811)
Reserves	<u>2,639,471</u>	<u>2,353,087</u>
	36,482,644	37,088,827
AMOUNTS TO BE RECOVERED		
Landfill costs	(403,175)	(175,734)
Net long-term liabilities	<u>(3,391,554)</u>	<u>(3,848,800)</u>
	<u>(3,794,729)</u>	<u>(4,024,534)</u>
ACCUMULATED SURPLUS	<u><u>32,687,915</u></u>	<u><u>33,064,293</u></u>
RESERVES		
Reserves set aside for specific purposes by Council:		
Working capital	198,313	374,072
Election purposes	6,548	6,548
Fire purposes	9,074	70,847
Roadway purposes	192,890	293,908
Sewage purposes	737,237	552,131
Waterworks purposes	253,407	62,402
Landfill purposes	10,000	10,000
Recreation purposes	129,630	102,922
Tri-county water system	151,898	180,608
Other purposes	169,867	140,990
Consolidated water reserves	<u>780,607</u>	<u>700,952</u>
Total reserves	<u><u>2,639,471</u></u>	<u><u>2,495,380</u></u>

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

12. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2023, and the results of this valuation disclosed actuarial liabilities of \$136.2 billion in respect of benefits accrued for service with actuarial assets at that date of \$132 billion leaving an actuarial deficit of \$4.2 billion.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Municipality does not recognize any share of the OMERS Pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS for 2023 was \$216,381 (2022 - \$169,276).

13. OPERATION OF THE COUNTY OF ELGIN AND SCHOOL BOARDS

During 2023, requisitions were made by the County of Elgin and the school boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards 2023 \$	County 2023 \$	School Boards 2022 \$	County 2022 \$
Taxation	915,757	3,529,331	899,890	3,261,547
Share of payments in lieu of taxes	<u>81,836</u>	<u>97,478</u>	<u>72,232</u>	<u>111,905</u>
Amounts requisitioned	<u><u>997,593</u></u>	<u><u>3,626,809</u></u>	<u><u>972,122</u></u>	<u><u>3,373,452</u></u>

14. CONTINGENT LIABILITIES

From time to time, the Municipality is subject to claims and other lawsuits that arise in the ordinary course of business. These claims may be covered by the Municipality's insurance up to a maximum amount per occurrence. In the opinion of management, any litigation, if successful would not have a material impact on the financial position of the Municipality.

Corporation of the Municipality of Dutton/Dunwich

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

15. BUDGET FIGURES

The operating budget approved by the council of the Municipality for 2023 is reflected on the consolidated statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. These adjustments include reserve transfers, capital expenditures, amortization and debt financing and repayment.

	Approved Budget	Adjustments	PSAB Budget
	<u>\$</u>	<u>\$</u>	<u>\$</u>
REVENUES			
Property taxation	4,795,830	-	4,795,830
Taxation from other governments	161,228	-	161,228
User charges and other	3,013,631	705,173	3,718,804
Government transfers:			
Federal	52,942	-	52,942
Provincial	602,402	381,841	984,243
Other municipalities	520,160	-	520,160
Penalties and interest on taxes	98,000	-	98,000
Local improvement levies	10,902	763,754	774,656
Other	<u>13,750</u>	<u>21,964</u>	<u>35,714</u>
Total Revenues	<u>9,268,845</u>	<u>1,872,732</u>	<u>11,141,577</u>
EXPENSES			
General government	1,137,168	34,559	1,171,727
Fire and police protection	1,014,936	66,689	1,081,625
Other protective services	263,329	-	263,329
Transportation services	2,583,186	386,767	2,969,953
Waterworks and sewer	1,957,743	963,107	2,920,850
Garbage collection and disposal	445,654	2,482	448,136
Health services	494,012	3,009	497,021
Recreation and cultural services	648,935	66,921	715,856
Planning and zoning	108,608	-	108,608
Agriculture	83,603	1,085,586	1,169,189
Reserve transfers	<u>531,671</u>	<u>(531,671)</u>	<u>-</u>
Total Expenses	<u>9,268,845</u>	<u>2,077,449</u>	<u>11,346,294</u>
BUDGETED ANNUAL SURPLUS	<u>-</u>	<u>(204,717)</u>	<u>(204,717)</u>

Corporation of the Municipality of Dutton/Dunwich

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

16. SUPPLEMENTARY INFORMATION:

	2023	2022
	<u>\$</u>	<u>\$</u>
[a] Current fund expenditures by object:		
Salaries, wages and employee benefits	3,379,515	3,107,695
Long-term debt interest	116,862	125,501
Materials and supplies	5,275,119	4,879,433
Contracted services	1,298,618	1,263,499
Rents and financial expenses	85,733	28,468
Amortization	1,474,195	1,395,840
Transfer to others	<u>130,336</u>	<u>81,492</u>
	<u>11,760,378</u>	<u>10,881,928</u>
[b] Change in non-cash assets and liabilities related to operations:		
Taxes receivable	(135,439)	(89,957)
Accounts receivable	385,549	30,569
Inventories and prepaid expenses	63,210	(55,846)
Accounts payable and accrued liabilities	123,806	213,944
Deposits	275,730	35,576
Deferred revenue	<u>32,188</u>	<u>(15,253)</u>
	<u>745,044</u>	<u>119,033</u>

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

17. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Municipality is exposed to various risks through its financial instruments. The following analysis provides a measure of the Municipality's risk exposure and concentrations at the balance sheet date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Municipality is mainly exposed to interest risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its fixed rate long-term debt. As the interest rates are fixed the Municipality doesn't believe that interest rate risk is a significant risk.

It is management's opinion that the Municipality is not exposed to significant currency risk.

Liquidity Risk

Liquidity risk is the risk that a Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its accounts payable, accrued liabilities and long-term debt. The Municipality doesn't believe that liquidity risk is a significant risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality's main credit risks relate to its accounts receivable and taxes receivable. The Municipality manages this risk by monitoring active receivable balances and forces tax sale on properties considered unrecoverable.

At year end, the Municipality had approximately \$132,000 (2022 - \$105,000) in accounts receivable over 90 days of which the Municipality has deemed no allowance is necessary. The balances of taxes and utility receivables (water and sewer) are normally collectible from the property owner and the Municipality is able to force tax sale on properties to recover. In some instances the property owner may challenge property values which will impact future recovery of taxes and potential repayments to the property owners. The Municipality actively monitors these assessment challenges and provides provisions when reasonable estimates can be made. At year end the Municipality has provided an allowance of \$nil (2022 - \$nil) for these assessment challenges and \$nil (2022 - \$nil) in potential uncollectible tax assessments and drains.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

18. SEGMENTED INFORMATION

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, transportation, recreation and environmental. For management reporting purposes the Municipality's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provided, are as follows:

General government

General government is comprised of municipal council, corporate management and program support.

Protection services

Protection services are comprised of fire protection, policing, conservation authority, building inspection and animal control, and emergency measures.

Transportation services

Transportation services are comprised of roads, bridges, winter control, parking and street lighting.

Environmental services

Environmental services are comprised of the provision of safe drinking water, the collection and treatment of waste water, and waste collection, disposal and recycling.

Health services

Health services include operation of the medical centre and maintenance of municipal cemeteries.

Corporation of the Municipality of Dutton/Dunwich

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

18. SEGMENTED INFORMATION (CONTINUED)

Recreation and cultural services

Recreation and cultural services are comprised of parks, recreation programs and facilities, and cultural services.

Planning and development services

Planning and development services are comprised of planning and zoning, commercial and industrial development, economic development and tourism, and agricultural and drainage services.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Property taxation and taxation from other governments have been allocated to the general government segment.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Schedule of Segment Disclosure.

19. COMPARATIVE FIGURES

Certain comparative figures presented in the consolidated financial statements have been reclassified to conform to the presentation adopted in the current year.

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Schedule of Segment Disclosure
For The Year Ended December 31, 2023**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
REVENUES								
Taxation and local improvements	1,290,626	1,028,515	2,052,337	333,254	334,809	529,576	132,846	5,701,963
Sales of services and regulatory fees	159,275	189,423	76,581	3,115,573	173,063	73,710	34,290	3,821,915
Government transfers	834,350	70,251	569,411	84,430	-	42,395	102,172	1,703,009
Other	<u>114,018</u>	<u>10,140</u>	<u>-</u>	<u>21,964</u>	<u>1,707</u>	<u>9,284</u>	<u>-</u>	<u>157,113</u>
	<u>2,398,269</u>	<u>1,298,329</u>	<u>2,698,329</u>	<u>3,555,221</u>	<u>509,579</u>	<u>654,965</u>	<u>269,308</u>	<u>11,384,000</u>
EXPENSES								
Salaries, wages and employee benefits	814,283	379,123	787,733	545,866	397,041	316,712	138,757	3,379,515
Interest on long-term debt	3,467	367	65,338	34,635	2,225	10,553	277	116,862
Materials and supplies	457,208	201,300	1,529,489	1,717,297	66,465	186,891	1,116,469	5,275,119
Contracted services, rents and financial	113,894	704,353	3,525	520,452	4,674	27,125	10,328	1,384,351
External transfers	-	64,797	-	-	-	65,539	-	130,336
Amortization	<u>48,486</u>	<u>70,167</u>	<u>602,604</u>	<u>656,724</u>	<u>7,673</u>	<u>88,541</u>	<u>-</u>	<u>1,474,195</u>
	<u>1,437,338</u>	<u>1,420,107</u>	<u>2,988,689</u>	<u>3,474,974</u>	<u>478,078</u>	<u>695,361</u>	<u>1,265,831</u>	<u>11,760,378</u>
ANNUAL SURPLUS (DEFICIT)	<u>960,931</u>	<u>(121,778)</u>	<u>(290,360)</u>	<u>80,247</u>	<u>31,501</u>	<u>(40,396)</u>	<u>(996,523)</u>	<u>(376,378)</u>

Corporation of the Municipality of Dutton/Dunwich

**Consolidated Schedule of Segment Disclosure
For The Year Ended December 31, 2022**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
REVENUES								
Taxation and local improvements	1,007,188	944,018	1,708,249	343,023	167,097	321,512	16,201	4,507,288
Sales of services and regulatory fees	183,236	125,726	54,068	3,385,245	151,279	44,897	11,250	3,955,701
Government transfers	420,100	144,473	1,119,800	558,823	-	187,906	10,945	2,442,047
Other	102,643	2,893	-	10,095	-	8,311	-	123,942
Gain on disposal of tangible capital assets	-	-	-	51,201	-	-	-	51,201
	<u>1,713,167</u>	<u>1,217,110</u>	<u>2,882,117</u>	<u>4,348,387</u>	<u>318,376</u>	<u>562,626</u>	<u>38,396</u>	<u>11,080,179</u>
EXPENSES								
Salaries, wages and employee benefits	781,064	352,400	760,623	491,759	303,964	313,077	104,808	3,107,695
Interest on long-term debt	2,976	428	59,873	50,614	2,017	9,214	379	125,501
Materials and supplies	363,127	239,073	1,566,283	1,522,425	81,941	206,037	900,547	4,879,433
Contracted services, rents and financial	41,376	709,468	3,012	491,535	25,178	17,902	3,496	1,291,967
External transfers	-	-	-	-	-	81,492	-	81,492
Amortization	42,840	55,233	612,437	587,542	7,845	89,943	-	1,395,840
	<u>1,231,383</u>	<u>1,356,602</u>	<u>3,002,228</u>	<u>3,143,875</u>	<u>420,945</u>	<u>717,665</u>	<u>1,009,230</u>	<u>10,881,928</u>
ANNUAL SURPLUS (DEFICIT)	<u>481,784</u>	<u>(139,492)</u>	<u>(120,111)</u>	<u>1,204,512</u>	<u>(102,569)</u>	<u>(155,039)</u>	<u>(970,834)</u>	<u>198,251</u>